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C O R R E C T E D C O P Y (ADDED SENSITIVE CAPTION)

SENSITIVE

SIPDIS

S/P - GREG BEHRMAN, S/SRMC KAREN CHANDLER,  
AND R - SEHREEN NOOR-ALI).

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SUBJECT: LEADING ENTREPRENEURS PARTICIPATE IN ISTANBUL  
ROUNDTABLE

REF: SECSTATE 112468

¶1. (U) Summary. A Presidential Entrepreneurship Summit Roundtable was hosted in Istanbul by Consul General Wiener on December 21, bringing together a group of successful Turkish entrepreneurs to discuss shared experiences and lessons learned, and to discuss the potential for new partnerships at home and abroad. The interlocutors were upbeat about the climate for creative business ventures in Turkey, and welcomed the possibility of future trade missions from the United States where the emphasis would be on entrepreneurship rather than specific industrial sectors. All were aware of the upcoming Presidential Entrepreneurship Summit (reftel), and viewed it as a potential bridge for business partnership between Turkey and the United States. End summary.

¶2. (U) The group unanimously held that the environment for entrepreneurship in Turkey is much better now than in the past, and this improvement is largely a function of better funding, accumulated experience and the Internet. One benefit of this improvement is that successful expatriate Turks are coming back home, partially reversing the brain drain that has hurt so many emerging markets. All of the Roundtable participants were aware of the 2010 Presidential Entrepreneurship Summit in Washington, and several seemed interested in the possibility that they might be among those chosen to participate.

¶3. (U) Ebru Cerezci of Hiref, a high end clothing and accessories company, stated that good NGO,s (non-governmental organizations) are vital to the support of entrepreneurs: "a good NGO should fight for you." Cerezci offered KAGIDER (Women Entrepreneurs Association of Turkey) as an example of an NGO that actively provides mentoring and funding to women starting out in business. She also mentioned ENDEAVOR, a U.S. based organization that promotes entrepreneurship in emerging markets, as an example of a "capitalist mentor." ENDEAVOR links up small and midsize businesses with seasoned entrepreneurs to receive advice and contacts, with the aim of growing companies and employment. Fatih Isbecer, the CEO of Pozitron, one of Turkey's leading wireless communications companies, cited TUBITAK (The Scientific and Technological Research Council of Turkey) as an occasional source of funding and management for business related research in Turkey. Although TUBITAK requires documentation, the preparation of this documentation, Isbecer notes, is not onerous. Cerezci added that TOBB (The Union of Chambers and Commodity Exchanges of Turkey) is also starting

to "get" the entrepreneur,s mentality.

¶4. (U) Kerim Taner of Alara, one of the world,s leading exporters of cherries and figs, stated that an entrepreneur must first get a crucial idea, then grow the idea and then create a brand. All of the participants agreed that successful entrepreneurs have certain shared characteristics: they are risk-loving, self-confident and sociable.

¶5. (SBU) Bulent Celebi, the CEO of Air Ties, a leader in high speed internet access, said that Turkey, unlike many countries in the Middle East, is market oriented. Pozitron's Isbecer added that in many parts of the Middle East, such as Morocco, most of the investment capital is imported, not domestic. The participants agreed that Turkey, a country not unused to crises and turmoil, adapts well and flexibly to changing conditions. By definition, creativity is essential to entrepreneurship, and the Turkish business community has always been creative. Networking takes place not only within Turkey, but overseas. On this note, there was strong enthusiasm for the idea of inviting to Turkey U.S. trade missions with an emphasis on new business ventures and risk capital formation, vice the more traditional sectoral orientation of such missions. Such missions could include the public and private sectors, NGO,s and academics, and would probably entail USG interagency involvement.

¶6. (SBU) Turkey,s bureaucracy was a recurring subject of discussion. Celebi said that he opposes government support to the business community, largely because the "support" usually entails red tape and obstruction. "The Government doesn,t trust anyone," the former California businessman noted, and it frequently sets up mechanisms that hinder business. Pozitron's Isbecer added that the government should reduce burdensome bureaucracy because, frequently, "a good idea gets destroyed."

¶7. (U) Nevzat Aydin, the General Manager of Yemek Sepeti, Turkey's first and leading food order and home/office delivery Web site, stated that more venture capital and private equity are needed in Turkey. Alara CEO Taner added that Turkey needs better investment banking, which could bring more U.S. equity to Turkey. He noted that Alara,s 2006 merger with Belgian conglomerate Univeg enabled the company to lower its costs through cheaper borrowing, an improved capital structure and better risk management. Celebi expressed the concern that corporate capital structures in Turkey are not well developed, specifically for minority shareholders. Preferred stock is not well regulated and structured, he noted, and minority and subordinate shareholders do not always fare well.

¶8. (U) One of the Roundtable participants noted that only 4-7 percent of Turkish entrepreneurs are women, far below the European Union (EU) level. Air Ties CEO Celebi offered that it is hard for a woman to get her foot through the door in Turkey, but once in, she actually has a better chance of succeeding than in the United States. He also noted that women in Turkey do well in academia, finance and the judiciary. The trick, Celebi contended, will be to find a way for more women to gain access to the labor market, with better and more attainable education a key: (Note: In 2008, according to the Prime Ministry's General Directorate of Women's Status, 20 percent of women in Turkey are illiterate, and roughly four percent have university degrees. However, 43 percent of the students currently enrolled in universities are women. End note).

¶9. (SBU) In discussing at the Roundtable the Presidential Entrepreneurship Summit, we described it as intended for participants from Muslim-majority countries (MMCs). Alluding to Turkish sensitivities about being categorized as a "Muslim" country, the Consul General explained to the Roundtable guests that the term "Muslim" within the context of the Presidential Summit is meant in a broad cultural sense, and that at least 150 participants from a wide range

of countries will attend the Summit. Turkish participants in the Summit will be viewed first and foremost as businesspeople, leaders and role models.

WIENER